



State of Mississippi

OFFICE OF THE STATE AUDITOR

EXECUTIVE SUMMARY

ANNUAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2001

**PHIL BRYANT
STATE AUDITOR**



State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

December 31, 2001

Honorable Ronnie Musgrove, Governor
Honorable Amy Tuck, Lieutenant Governor
Honorable Tim Ford, Speaker of the House
Members of the Mississippi State Legislature



Dear Ladies and Gentlemen:

This Executive Summary Report accurately reflects the accomplishments of the Office of the State Auditor during fiscal year ending June 30, 2001, as required by Section 27-101-1, *Mississippi Code of 1972*, (Annotated).

It is difficult to include all the many accomplishments of the State Auditor's Office in such a brief report, nor can I do justice to all the contributions of our fine staff. I can only hope this report will provide the information you need to appreciate the duties and accomplishments of the Auditor's Office.

In order to reduce the expenses of labor and resources, we are furnishing this Executive Summary Report to the Legislature. If you would prefer a copy of our complete Annual Report, please access our Office of the State Auditor web site at www.osa.state.ms.us or contact Pete Smith, our Public Relations Director at 576-2640.

In the year 2002, we will rededicate our efforts to protect the public's trust. We will strive to be ever vigilant against fraud, corruption and waste of tax dollars. We will continue to do our job with integrity, honesty and accountability. We believe the taxpayers of Mississippi deserve no less.

If I or any member of my staff may be of further assistance, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink that reads "Phil Bryant".

Phil Bryant
State Auditor

INTRODUCTION

The following is an Executive Summary of the annual report issued by the Office of the State Auditor in compliance with Mississippi State Code, Section 27-101-1.

PRIMARY STATUTORY RESPONSIBILITY

Section 134 of the Mississippi Constitution created the Office of the State Auditor of Public Accounts. The Mississippi Code of 1972 (Annotated) grants the State Auditor important responsibilities most of which are described under Section 7-7-211. Primarily, the Office of the State Auditor has financial oversight responsibility over all of state government, its agencies and political subdivisions. This includes authority to investigate violations of state law by officers or employees of the state, counties or other public offices.

GENERAL INFORMATION

For the fiscal year ending June 30, 2001, the Office of the State Auditor had an amended annual budget of \$10,496,495. We have approximately 170 employees, eight different divisions and two district offices located in Grenada and Ellisville. Approximately sixty percent of our budget is appropriated from the general fund and forty percent is special funds obtained from audit fees charged to our governmental clients as statutorily allowed.

ADMINISTRATIVE SERVICES DIVISION

Our Administrative Services Division continues to perform in an exemplary manner by providing services for personnel matters, processing invoices, payroll, travel vouchers and purchase orders for the office. The Division invoices services rendered by the office which accounted for nearly four million dollars or forty percent of our annual budget. A private CPA firm performed a review of agreed upon procedures to evaluate compliance with our policies and procedures. This review revealed no findings of noncompliance for the year ended June 30, 2001.

AVERAGE DAILY ATTENDANCE

The agency's Average Daily Attendance Division verified the reporting of the state's 464,441 school children and identified student count errors that allowed the State Department of Education to reallocate an estimated \$1,677,626.

FINANCIAL & COMPLIANCE AUDIT DIVISION

Our Financial & Compliance Audit Division was responsible for financial and legal compliance audits of over fourteen (14) billion taxpayers' dollars in fiscal year 2001. The Division released 218 audits including those of counties, colleges, universities and school districts. The Division also released the state's 2000 Single Audit Report/Corrective Action Plan and expressed an opinion on the State of Mississippi's 2000 general purpose financial statements issued by the Department of Finance and Administration in the form of the Comprehensive Annual Financial Report (CAFR). Our county audit division took exception to \$172,483 of expenditures which were returned directly to the counties' general funds.

INFORMATION TECHNOLOGY

The Information Technology Division provides information technology and services to all employees, conducts computer training, purchases computer hardware and software, develops and supports computerized applications and provides technical support to OSA staff. In FY 2001, the division successfully implemented several projects to improve the Agency operations. The division successfully migrated the OSA network from Token Ring to Fast Ethernet and upgraded each network computer with NetWare Client 3.3. The division implemented an automated anti virus system and implemented a Cisco 525 Pix Firewall to protect OSA network from hackers along with a Border Manager Proxy server to monitor internet traffic.

INVESTIGATIVE DIVISION

During fiscal year 2001, the Auditor's Investigative Division opened 219 cases of alleged misused or misappropriated public funds. These investigations resulted in the issuance of twelve (12) demands totaling \$448,470.05 and recovered and returned to public entities \$770,956.45. The Division closed 146 cases. We are currently working with the Office of the Attorney General to recover outstanding funds through civil prosecution.

PERFORMANCE AUDIT DIVISION

Our Performance Audit Division completed performance reviews of the *Construction and Management of the Mallard Pointe Golf Course* at John Kyle State Park, a review of *State-Owned Vehicles Legal Regulations*, a review of *Pat Harrison Waterway District Operations*, a review of *Pearl River County Operations*, a *Plan for Implementing a Paperless Audit Process* in the Office of the State Auditor and a *Compilation and Regeneration of Bolivar County Circuit Clerk's* financial records.

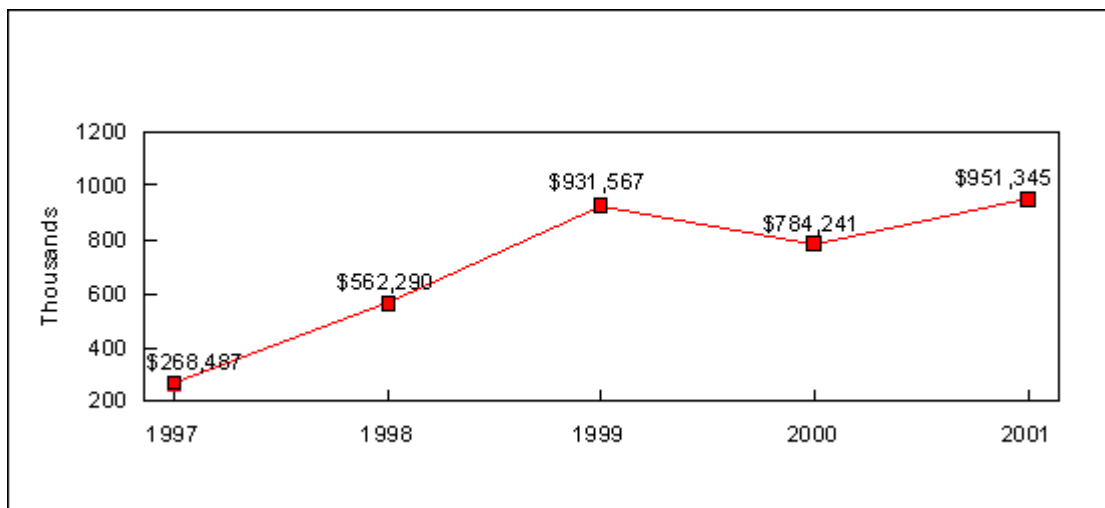
PROPERTY AUDIT DIVISION

Our Property Audit Division verified fixed assets in state agencies and universities valued at over one billion dollars. Property Audits were completed at ninety-eight (98) state agencies and universities, twelve (12) counties and eighty-seven (87) school districts. As a result of audits performed, the Division recovered and returned \$7,904.97 to the appropriate entities.

TECHNICAL ASSISTANCE DIVISION

One of our most important duties is providing educational and required training opportunities for public officials. The Division conducted 75 Educational and / or Required Certification Programs annually for various groups and associations. The Division responded by letter or e-mail to over 200 requests for statements of position from the Office of the State Auditor on legal requirements and department regulations. We have answered approximately 9,250 telephone requests and issued monthly over 4,000 of our "*Technicalities*," a publication to public officials. Our toll free "Information Hotline" for officials and public inquiries continues to be of great benefit to our clients.

A SUMMARY OF TAXPAYER FUNDS RECOVERED



CONCLUSION

This executive summary should provide the necessary information to meet and exceed the legislative intent of Mississippi Code, Section 27-101-1. However, if additional information or a complete report is needed, the reader may refer to the OSA web site at www.osa.state.ms.us or call Pete Smith, our Director of Public Relations, at (601) 576-2640.

This Publication was prepared by the Public Relations Director

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Office of the State Auditor

Primary Statutory Responsibilities

Section 134 of the Mississippi Constitution, adopted November 1, 1890, created the Office of the Auditor of Public Accounts, now the Office of the State Auditor. The Mississippi Code of 1972 (Annotated) grants the Office important responsibilities. Section 7-7-211 is the most comprehensive, charging the Office with the following responsibilities and authority:

- Identify and define generally accepted accounting principles for all public offices of the state and its subdivisions;
- Prescribe systems of accounting, budgeting and financial reporting for all public offices of regional and local subdivisions of the state and assist in the installation of these systems;
- Study and analyze existing managerial policies, methods, procedures, duties and services of state agencies and institutions upon written request of the Governor or the Legislature or its designee, and determine if operations can be eliminated, combined, simplified or improved;
- Relative to the comprehensive annual financial report of the state, post-audit and, when necessary, pre-audit and investigate financial matters of departments, institutions, boards, commissions and other agencies of state government;
- Post-audit and, when necessary, pre-audit and investigate financial matters of county governments, public school districts, community college districts, levee boards, agencies created by the Legislature or by executive order, profit or nonprofit business entities administering programs financed by funds flowing through the state treasury or receiving grants from revenues collected by state governmental divisions and all other public bodies supported by funds derived in part or wholly from public funds, except municipalities;
- Demand payment from public officers, employees, administrative bodies, individuals, partnerships, corporations or associations for amounts representing recovery of public funds improperly withheld, misappropriated or otherwise illegally expended and the value of public property disposed of in an unlawful manner, institute suit in any state court for demands not paid;
- Investigate suspected violations of state laws by officers or employees of the state, counties or other public offices;
- With approval of a chancery or circuit court, issue subpoenas to examine records, etc. regarding persons, firms or other entities related to dealings with any state, county or other public entity;
- In lieu of conducting audits, examine audits of public hospitals or public school districts produced by certified public accountants. Provide audit programs and report formats to accountants conducting audits of public hospitals and public school districts;

- If funds are made available by the Legislature, contract for preparation of selected audits of departments, institutions, boards, commissions or other agencies of state government, county governments, public school districts, community college districts and any other public bodies supported by public funds, except municipalities, provide audit programs and report formats to accountants conducting contract audits;
- Establish training courses and programs for state and local government personnel under jurisdiction of the Office; and
- Upon written request of the Governor or member of the Legislature, audit any state or federal funds received by any nonprofit corporation.

Other responsibilities are given to the Office throughout sections of the Mississippi Code. However, most of these are addressed within the responsibilities mentioned above. When new programs are created or funded by the Legislature, the Office is often given audit or system-prescribing responsibility.

Audit Responsibility

The above statutory responsibilities make the Office responsible for financial reporting of most public entities within the state. This entails either audit, review, recording, receipt, or investigative responsibility for over 1,000 entities in the following categories:

General State and Local Governments

General governments provide a wide range of services to their citizens and number the following:

State Agencies	111
Cities	298
Counties	82

Special-Purpose Governmental Entities

Most special-purpose governments provide a single, special service. Created by counties, municipalities or a combination of both, or by special legislation passed by the Legislature, all were designed to provide services not offered by individual general governments. In most cases, special-purpose governments are designed as authorities, agencies, boards or districts.

Mississippi special-purpose governmental units include, but are not limited to, the following:

Airport Authorities	59
Colleges	15
Universities	8
District Attorneys	22
Drainage Districts	58
Economic Development Districts	138
Fire Protection Districts	85
Flood Control Districts	4
Hospitals	67
Housing Authorities	Local
Human Resource Agencies	27
Industrial Development Districts	35
Libraries	48
Mental Health Centers	15
Park Districts	7
Planning and Development Districts	10
Port Authorities	6
Public Building Authorities	Local
School Districts	150
Soil and Water Conservation Districts	79
Tourism Bureaus	40
Utility Districts	28

The Office maintains some oversight responsibility for each. In addition, other public and private entities fall within the Office's oversight when created or financially supported by Legislative appropriations, for a number of reasons some of these do not fall into one of the general categories listed above.

Office Customers

Based on analysis of Mississippi statutes, the Office has identified and prioritized its customers to provide the above services in a manner to protect the public's interest. These include:

- 1) Citizens and taxpayers of the State of Mississippi
- 2) Legislative, Executive and Judicial Branches of state government
- 3) State and local governmental entities
- 4) Federal government
- 5) Other states

Citizens are prioritized as the most important Office customer, since providing services for and on their behalf is the reason government exists. The Office has primary responsibility for oversight of the taxpayers' state and often local government supporting funds.

Therefore, the primary purpose of the Office is protection of the interests of its most important customer, the taxpayers.

The legislative, executive, and judicial branches of state government, along with the Office, exist to serve citizens and taxpayers. Therefore the Office provides valuable services to these branches in performing their services to the citizens of the state.

State and local governmental entities are the primary recipients of Office services with customers receiving benefits from the services provided by this Office. Although state agencies are a part of the executive, legislative and judicial branches, state agencies are also considered separate Office customers since they are the subject of audits and are not always directly accountable to citizens and taxpayers. Although the focus of day-to-day Office work relates to state and local governmental entities, benefits accrue to higher prioritized customers: taxpayers, and legislative, executive, and judicial branches.

Because the federal government provides certain funds to the state, the state has reporting responsibilities to the federal government. Additionally, the Office's audit field work and reporting standards are controlled in part by the federal government. Since other states occasionally use our reports in their work, they are also considered valued Office customers.

Office of the State Auditor's Mission

Based on the purpose intended for the Office and the services the Office provides, the following mission statement was developed and published in fiscal year 1997:

The mission of the Office of the State Auditor is to serve its customers and protect the public's trust by independently assessing state and local governmental and other entities to ensure that public funds are properly received, are legally, effectively, and efficiently spent and are accounted for and reported accurately.

Divisions

The Office of the State Auditor is composed of eight divisions. These divisions report to the Audit Department Deputy, Norman McLeod and include; (Exhibit A, page 6)

Administrative Services Division (page 8)

Jeff Adcock, Director

Average Daily Attendance Audit Division (page 9)

Shirley Crawford, Director

Financial & Compliance Audit Division (page 10)

Ramona F. Hill, CPA, Director

Information Technology Division (page 14)

Bennie Nutt, Director

Investigative Division (page 16)

Jesse Bingham, Director

Performance Audit Division (page 18)

Mitchell Adcock, CPA, CIA, CFE, Director

Property Audit Division (page 20)

Bill Pope, Director

Technical Assistance Division (page 21)

Rhuel Dickinson, CPA, Director

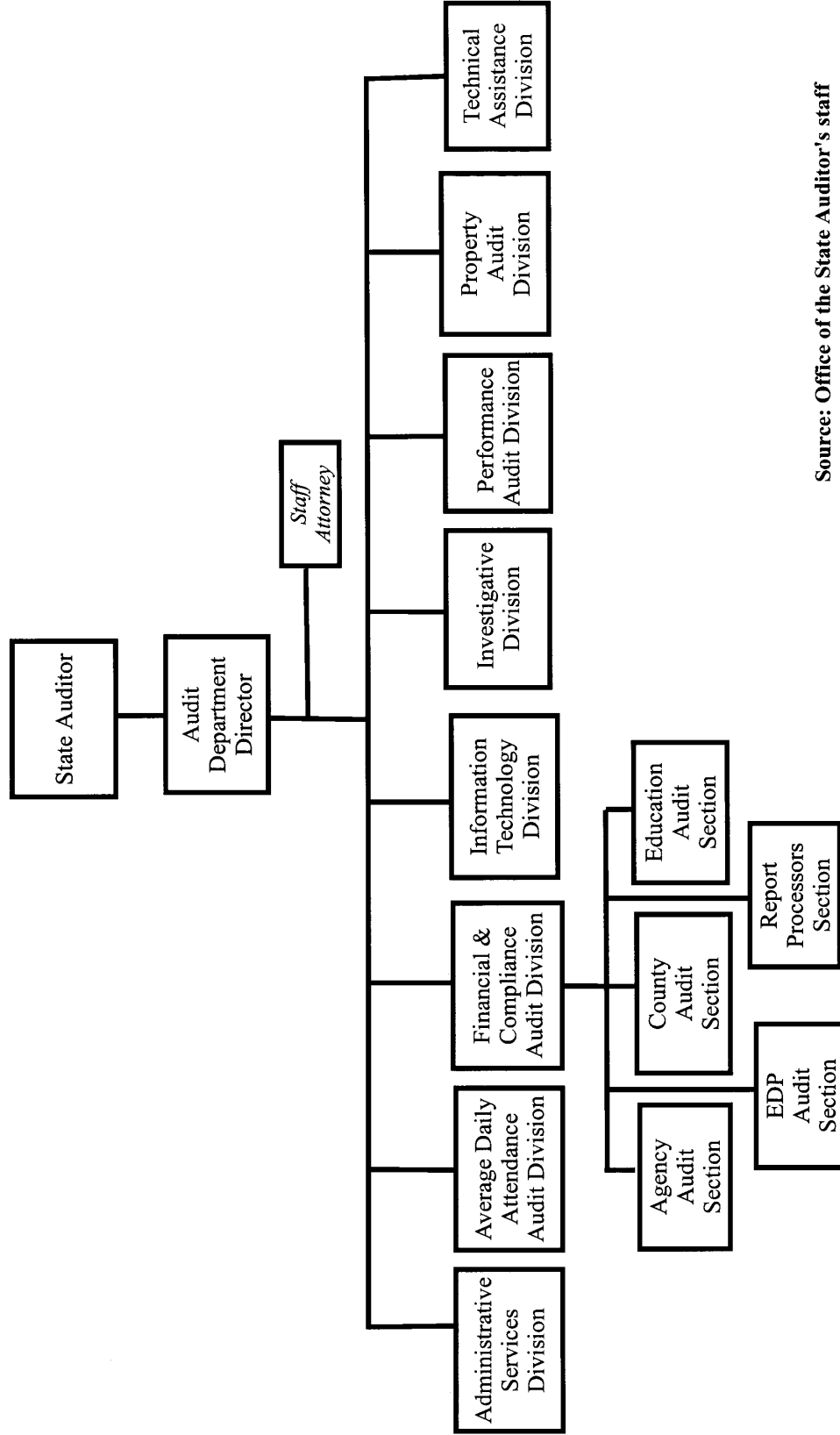
Office Goals

In accomplishing its mission the Office of the State Auditor has established the following goals:

- Establish accounting and financial reporting systems for all regional and local governmental entities. Consult with State Fiscal Officer in the establishment of accounting and financial reporting systems for the state;
- Perform or contract the necessary financial, compliance, performance, and investigative audits in accordance with professional standards;
- Train public officials in methods of conducting their duties in compliance with state law; and
- Comply with constitutional and statutory provisions.

Exhibit A

Office of the State Auditor
Organizational Structure
as of March 1, 1999



Source: Office of the State Auditor's staff

The Office will accomplish these goals by:

- Providing timely financial and legal compliance audits of state agencies, counties, school districts and state supported colleges and universities;
- Providing timely technical assistance to representatives of state and local governments and the general public;
- Investigating state and local governments and government representatives and employees concerning legal compliance violations and accountability issues;
- Performing performance audits for state and local governments to improve accountability, economy and efficiency of government operations;
- Conducting state-wide property audits and performing average daily attendance counts for school districts; and
- Providing the Office and state and local governments assistance with their information management needs.

Professional Audit Standards

The Office is comprised of professional staff to perform a necessary function to protect the welfare and ensure the public trust. Because taxes are an involuntary requirement for the citizens of this great state, financial accountability and responsibility for an effective and efficient government are the responsibility of every public servant, including those elected, appointed and employed. This public trust requires a diligent review and accounting for the financial reporting and performance of all entities entrusted with public funds. To perform this service, the Office complies with generally accepted government auditing standards (GAGAS) issued by the United States General Accounting Office and documented as Government Auditing Standards and generally accepted auditing standards (GAAS) published by the American Institute of Certified Public Accountants. The Office also abides by pronouncements of the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) where applicable. Additionally, the Office participates in a quality control review process whereby Office audits are periodically reviewed by other states' audit office personnel for compliance with the above standards. Also the Office's finances are reviewed by the Legislative PEER Committee to ensure all financial matters are in order.

What does all this mean? The Office sets high standards of performance for the auditors it hires and the work they perform. The trust placed with the Office by the public is not taken lightly, nor the responsibility ignored. These standards and the reviews the Office undergo help ensure the quality of the work prepared and presented to the public administrators of the public funds and resources on behalf of the citizens of the state, who are our primary customers and to whom we acknowledge a great responsibility.

Administrative Services Division

The Administrative Services Division provides services for personnel matters, processing invoices, payroll, travel vouchers, and purchase orders for the Office. The Division bills entities for services rendered by the Office and prepares and administers the budget. The Division also procures all office equipment and maintains property records for all Office equipment.

Accomplishments for 2001

A private CPA firm performed a review of agreed upon procedures to evaluate compliance with our policies and procedures and documentation. This review revealed no findings of noncompliance for the year ended June 30, 2001.

Average Daily Attendance Division

The Average Daily Attendance Division (ADA) was created to verify correct distribution of Minimum Foundation Program funds, a compliance function related to local school districts. ADA performs counts of school district pupils to determine the accuracy of school district attendance reports to the State Department of Education. By law, ADA performs a minimum of three unannounced counts of school children within designated units throughout the year. For 2001, 556 units were counted four times and 790 units were counted six times due to large discrepancies between the number of students on the rolls and the number of students present. School district reports are used by the State Department of Education to allocate Minimum Program Funds to local school districts. In 2001, the Minimum Foundation Program distributed \$1,667,608,358 (39.91%) of the state's entire general fund budget to support local school districts.

Accomplishments for 2001

During 2001, ADA accomplished the following:

- Issued and distributed the Average Daily Attendance Comprehensive Annual Report to the Governor, State Board of Education members, Public School Building Fund members, and local school district superintendents;
- Identified student count errors which is estimated to have saved the state \$1,677,626;
- Completed 10,161 student counts;
- Calculated average daily attendance at 464,441 for school year 2000-2001;
- Issued 31 letters of commendation to school districts;
- Performed fixed asset audits for 87 local school districts;
- Made random vehicle checks for correct markings in 149 municipalities and counties.

Financial and Compliance Audit Division

The Financial and Compliance Audit Division employs a majority of the employees of the Office and produces most of its published work. The Division is responsible for performing audits on 82 counties, 15 colleges, the university system, 150 local school districts and the State of Mississippi, which includes 111 state agencies. The Division also performs agreed-upon procedures on disaster claims of various entities in the state. To perform these audit duties, the Division is organized into five sections:

County Audit Section

Ed Yarborough, CPA, CIA, CFE, Director

Education Audit Section

Brent Ballard, CPA, Director

State Agency Audit Section

Bill Doss, CPA, Director

EDP Audit Section

Mike Sumrall, CISA, Supervisor

Report Processing Section

Frieda Bailey, Supervisor

Through this division, the Office accomplishes its primary statutory duties of:

- Examining the financial records and statements of counties, school districts, colleges, the university system and the State of Mississippi to determine accuracy and reliability;
- Reviewing, testing and evaluating state and local government control systems to ensure
 - the safeguarding of assets,
 - the legality, accuracy and reliability of financial transactions, records and statements, and
 - adherence to prescribed management control policies;
- Auditing and issuing opinions on financial statements of counties, school districts, colleges, the university system and the State of Mississippi;
- Issuing the State's Single Audit Report and single audit reports of counties, school districts, colleges and the university system;
- Examining and testing transactions and operational processes of auditees to determine compliance with laws and regulations;

- Auditing governmental entities seeking reimbursement for disaster losses; and
- Reviewing audits of college, county, school district and state agency financial statements performed by CPA firms.

To reduce travel time and expenses, the Division maintains staff in Jackson, with branch offices in Grenada and Ellisville. Attachment A, pages 23 through 29, includes a listing of financial and compliance audits released by the Division for fiscal year ending June 30, 2001.

Audit Sections

A brief description of each of the audit sections is given below.

County Audit Section

The County Audit Section audits the 82 Mississippi counties. During fiscal year 2001, the County Audit Section released reports on 47 counties it audited. Also during this period, this Section released reports on 29 counties audited by CPA firms. Attachment B, pages 30 through 31, includes a list of county audit reports released during fiscal year ended June 30, 2001 with the counties' total revenues, expenditures, assets and long-term debt.

Education Audit Section

The Education Audit Section is responsible for college and university audits and for local school district audits. College and university auditors are responsible for 15 public colleges, the Board of Trustees of the Institutions of Higher Learning, and eight public universities and their divisions. During fiscal year 2001, the Section audited and released reports for five colleges. Beginning in the fiscal year ended June 30, 1998, the Section audits the universities under the governance of the Board of Trustees of the Institutions of Higher Learning as a system. The Section audited and released the report in March 2001 for the university system for the fiscal year ended June 30, 2000. Separate management letters were issued to the universities and their divisions. Colleges not audited by this Section were audited by CPA firms under contracts supervised by the Education Section. Seven college audit reports issued by CPA firms were released during fiscal year 2001.

The Section is also responsible for conducting annual audits of the 150 public school districts in the state. During fiscal year 2001, the Section audited and released reports on 22 school districts. Public school districts not audited by this Section are audited by CPA firms under contracts supervised by the Education Audit Section. One-hundred-seven school district audit reports issued by CPA firms were released during fiscal year 2001.

Attachment C, pages 32 through 35, includes a listing of the university system, colleges and local school districts audit reports released by the Division for fiscal year ending June 30, 2001, including summary financial information.

State Agency Audit Section

The State Agency Audit Section is responsible for the annual audit of the State of Mississippi, including the State's Comprehensive Annual Financial Report (CAFR) and its Single Audit Report.

EDP Audit Section

The EDP Audit Section works with the other sections to perform reviews of entities' electronic data processing systems.

Report Processing Section

The Report Processing Section finalizes all Division reports and processes them for publication.

Goals and Objectives

The goals and objectives of the Financial and Compliance Audit Division include the following:

- Perform more efficient and effective audits while maintaining current audit status and timely release of audits.
- Increase the use of computers in performing audit procedures and ensure the staff has access to the most up-to-date technology.
- Provide staff training on new technical pronouncements, including the upcoming major revision in the financial reporting model for governmental entities.
- Continue to reduce time between the completion of fieldwork and the issuance of the report.
- Increase the number of auditors in the EDP Audit Section.
- Revise various manuals for the professional staff and local government officials.

Accomplishments for 2001

The Financial and Compliance Audit Division accomplished many things during the 2001 fiscal year. Highlights of these accomplishments include:

- During fiscal year 2001, the County Audit Section released 76 audit reports. The reports covered Governmental and Expendable Trust Fund revenues of almost \$884.5 million, Governmental and Expendable Trust Fund expenditures in excess of \$1 billion, assets of almost \$2.5 billion and long-term debt in excess of \$638 million. Of these amounts, audit

coverage of approximately \$405 million revenues, \$474.8 million expenditures, \$1.1 billion assets and \$358 million debt was provided by CPA firms.

- During fiscal year 2001, the College and University Unit in the Education Audit Section released 12 college audit reports. The reports covered current fund revenues of almost \$351 million, expenditures of almost \$338.5 million and assets in excess of \$96.2 million and plant fund assets in excess of \$563.4 million. Of these amounts, audit coverage of approximately \$164.3 million current fund revenues, \$157 million current fund expenditures, \$47 million current fund assets and \$272.2 million plant fund assets was provided by CPA firms.
- During fiscal year 2001, the College and University Unit issued its third system-wide audit report on the State of Mississippi Institutions of Higher Learning. The report covered current fund revenues of approximately \$1.7 billion, expenditures of approximately \$1.6 billion and assets of approximately \$521 million and plant fund assets in excess of \$2 billion.
- During fiscal year 2001, the School Unit in the Education Audit Section released 129 school district audits. The reports covered Governmental and Expendable Trust Fund revenues of approximately \$2.3 billion, Governmental and Expendable Trust Fund expenditures of approximately \$2.5 billion, assets of approximately \$4.5 billion and long-term debt of approximately \$1.1 billion. Of these amounts, audit coverage of approximately \$2 billion revenues, \$2.2 billion expenditures, \$3.9 billion assets and \$924.5 million debt was provided by CPA firms.
- During fiscal year 2001, Mississippi's 2000 CAFR and Single Audit Report were released. The State Agency Audit Section was responsible for auditing Governmental and Expendable Trust Funds revenues of approximately \$9 billion, including approximately \$3.1 billion of federal revenues; Governmental and Expendable Trust Funds expenditures of approximately \$8.6 billion; assets of approximately \$29.6 billion; and long-term debt of approximately \$2.4 billion.
- Staff in the Division assisted the Training Officer in conducting required training sessions for professional staff.
- Staff in the Division revised accounting and auditing manuals as necessary to comply with federal regulations and audit standards.

Information Technology Division

The Information Technology Division is responsible for providing information technology and services to all employees of the Office of the State Auditor and other governmental entities that must comply with Office-issued requirements. The Division also conducts computer training, assists auditors with electronic data processing (EDP) audit reviews, procures computer hardware and software, develops and supports computerized applications, maintains a local area network, web server and email system, and provides technical support to the Office staff. The Division supports the Office by:

- Increasing Office employee productivity through automation;
- Improving technological support for all Office staff by focusing on service for the Office;
- Enhancing computer applications and implementing new information systems for other divisions;
- Assisting other divisions applying technology in performing audits;
- Procuring and implementing state-of-the-art hardware and software; and
- Educating Office staff in the use of information technology.

Accomplishments for 2001

Over the last year, the Division has successfully implemented several projects to improve the Agency operations.

Networking System

The Division successfully migrated the OSA network from Token Ring to Fast Ethernet and upgraded each network computer with proper network hardware and NetWare Client 3.3. The Division implemented an automated anti virus system that updates all servers and each workstation connected to the network on a daily basis. The Division successfully purchased and implemented a Cisco 525 Pix Firewall to protect the OSA network from hackers along with a Border Manager proxy server to monitor internet traffic. OSA mail and web servers were located in antiquated equipment, this equipment has been upgraded.

Field Auditors

Due to the demands placed on the current field audit work force, there is constant need to provide updated equipment. New laptop computers were purchased and implemented in the Audit section. The Division completed the migration from WordPerfect 8 and Lotus 5 to Corel Suite 9 and conducted the necessary training for each staff member. As the entities we audit increase in technological abilities, so must we increase the methods by which we audit electronically. The Division began the transition to paperless audits in the County Section.

Office Staff

The Division successfully purchased and installed new desktop computers for all users connected to the OSA network, upgraded the operating system to Windows 2000 and completed required modifications to all applications. The Division has implemented such software as WestLaw online and The Receptionist to provide network users fast, easy access to information.

The Division has successfully maintained all computer equipment and software to meet standards that will make the Office competitive, provide audit services and satisfy concerns associated with the 21st century. As we have upgraded our technology, we have also donated equipment and designed applications to assist other entities in technology advancement.

Future Plans

The Division plans to continue the long-range purchasing plan by replacing any computer related equipment that is not under manufactures warranty. The Division continues to pursue a wide area network for audit reports and investigative files from around the state to be downloaded directly to the main Office computers. This will expedite the audit report and investigative process. These advances should cut travel cost and enable more effective use of Office personnel. The Division continues to support the Agency in its efforts to perform paperless audits. The Division plans to purchase additional equipment and software to meet this goal.

Investigative Division

The Investigative Division is responsible for investigating allegations or suspected violations of the laws of the State of Mississippi by any state, county or local public official or other individual responsible for public assets. The primary focus of the Division is to detect and deter the misuse or misappropriation of public assets in the purchase, sale or use of any supplies, services, equipment or other property.

This staff assures proper use of public assets through recoveries and prosecution when violations are detected. Based on a study conducted by the Association of Certified Fraud Examiners, the average organization loses about 6 percent of its total annual revenue to fraud and abuse committed by its own employees and management. Government waste, fraud and abuse represent a hidden tax on every family in Mississippi. This Division's responsibility is to cut that hidden tax.

Complaints are received from public officials, private citizens, auditors, the media and anonymous or public sources. All complaints are confidential.

Any information concerning possible violations should be forwarded to:

Office of the State Auditor
Attn: Jesse M. Bingham, Director
Investigative Division
P.O. Box 956
Jackson, MS 39205

or by calling 601.576.2722 or toll free in-state 800.321.1275 and ask for The Investigative Division.

Accomplishments for 2001

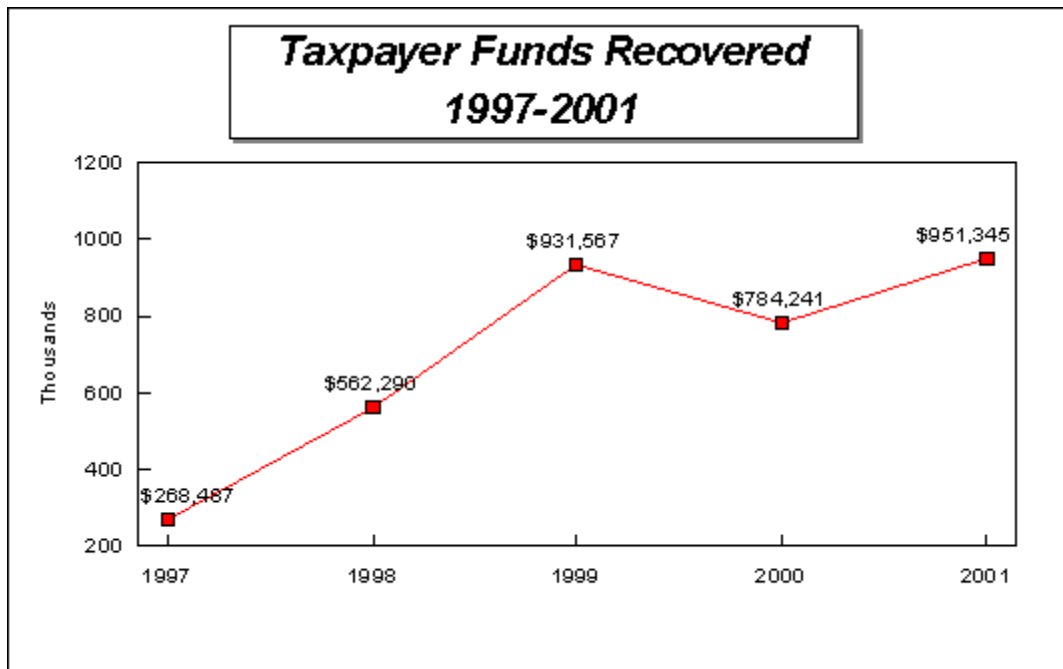
During Fiscal Year 2001, there were 219 cases of allegedly misused or misappropriated public assets opened in the Investigative Division. Of the cases opened, the allegations concerned:

Counties	125
Municipalities	39
State Agencies	22
Public School Districts	21
College & Universities	6
Other	<u>6</u>
Total	219

During Fiscal Year 2001, the Investigative Division:

- recovered \$770,956.45 and returned these funds to public entities;
- issued 12 Formal Demand letters totaling \$448,470.05;
- closed 146 cases.

As demonstrated by the graph below, the State Auditor's Office strives to apprehend and make accountable public officials, employees and private citizens who abuse public assets. Additionally, through the audit process \$180,388.37 was recovered and returned to the proper governmental entity.



**Chart indicates the past five years of funds recovered*

Performance Audit Division

The Performance Audit Division was established to provide services to the Office, state and local governments, and citizens. While other divisions of the State Auditor are designed to detect governmental entities' errors or omissions, the Performance Audit Division is one of two Office Divisions, the other being Technical Assistance, designed to prevent problems and help government managers better perform their jobs. We perform this function by providing invaluable management information to enable managers to effectively and efficiently direct their organizations. Performance auditing is defined by the Government Auditing Standards, issued by the Comptroller General of the United States, as "*the assessment of the performance of organizations, programs, activities, and functions in order to provide information to improve accountability and facilitate decision-making.*" Public managers can not effectively manage without important-relevant-specific-useful information. The Performance Audit Division provides this information through independent assessments that can not be obtained any other way.

Government is designed to provide services to the citizens of this state. Performance audits can make government more accountable to citizens by determining programs' and services' effectiveness (does the agency get the intended job done) and efficiency (does the agency waste resources in accomplishing the intended job). Performance audits concentrate on laws and governing regulations, program purposes/goals, amount of resources, program operations and outputs and outcomes (the final results produced by a program).

Accomplishments for 2001

Major accomplishments by the Division for fiscal year 2001 were:

- *Compilation and regeneration of Bolivar County Circuit Clerk's financial records.* For the years 1993 through 2000, the Bolivar County Circuit Clerk had not settled funds to all appropriate individuals as directed by the Bolivar County Courts. Based on complaints to the court, we were requested to compile the Circuit Clerk's receipts to distribute funds owed by individuals convicted in Circuit Court to individuals for restitutions.
- *A Performance Review of the Construction and Management of the Mallard Pointe Golf Course Located at John Kyle State Park.* (April 16, 2001) Our review found, as a result of no preplanning and inadequate contract management by the Department of Finance and Administration - Bureau of Building, Grounds and Real Property Management, the State of Mississippi spent \$1.5 million in additional expenditures and received a substandard project. After project completion, the 9-hole par 3 course soon washed away and the remaining course continued to operate at a loss to the state.

- *A Review of State-Owned Vehicles Legal Regulations.* (January 29, 2001) This review found the language in the current statute does not clearly limit the number of passenger vehicles as intended by the Legislature, resulting in all state departments, agencies, and institutions complying with the numeric restrictions of Section 25-1-85, MS Code of 1972, Annotated, regardless of the number of vehicles they purchase and operate.
- *A Review of Pat Harrison Waterway District Operations.* (October 9, 2000) The Board of Directors of the Pat Harrison Waterway District requested the Performance Audit Division of the Office of the State Auditor review selected financial-related areas of the District. This review was intended to be used by the Board as a management tool to improve the operation of the District.
- *A Performance Review of Pearl River County Operations.* (August 21, 2000) The Pearl River County Board of Supervisors requested the Performance Audit Division of the Office of the State Auditor review selected financial-related areas of the District. This review was intended to be used by the Board as a management tool to improve the operation of the District.
- *A Plan for Implementing a Paperless Audit Process in the Office of the State Auditor's Agency Audit Section.* This review defined a paperless audit, provided information on the current procedures followed by the Agency Audit Section, provided information about what other states are currently doing, provided options for implementing a paperless audit process, etc.

Property Audit Division

The purpose of the Property Audit Division is to protect the public's trust by independently assessing state and local governmental entities to ensure that public property is properly procured, effectively managed in its dispersal and disposal and proper procedures are lawfully followed regarding the addition and deletion of fixed assets. In addition to verifying the existence of fixed assets, the Property Audit Division is responsible for maintaining a master inventory of fixed assets and periodic audits of state and local government asset maintenance records.

Accomplishments for 2001

The Division performs its duties and responsibilities in conformity with statutory mandates as set in Section 29-9-1, et seq, *Mississippi Code of 1972* (Annotated). The primary focus of the Division is the verification of assets. In fiscal year 2001, the Division initiated property audits (verification) of fixed assets as follows:

State Agency and University audits -	98
County Government audits -	12
School District audits -	87

The Division maintains a master state-wide inventory for all assets owned by state agencies and universities. All reports for additions, deletions and adjustments by agencies and universities are submitted to the Division where the reports are reviewed and verified for accuracy.

The Division offered advisory and training sessions for the new data file structure for the reporting of assets under the GASB 34/35 statements. Division staff provided one-on-one technical support to property managers in complying with new reporting requirements. Technical assistance is offered to property managers to ensure continued effectiveness and to communicated statutory amendments, rule changes and management techniques.

As a result of property audits performed at various agencies, the Division was responsible for \$7,904.97 being recovered for missing property.

Technical Assistance Division

The Technical Assistance Division was established to provide a mechanism through which state and local government officials can receive guidance to help comply with the many financial-and-compliance-related laws and regulations they enforce. This service enables public officials to address and resolve questions or minor problems before they result in misappropriated or misused public funds or resources.

The Division's staff of five Certified Public Accountants provide oral and/or written answers to literally thousands of inquiries annually. The staff also conducts specialized training to update officials of the latest changes in laws and regulations that affect their jobs maintaining the public's resources and trust. Combined, the staff has over 100 years of experience in local and state government accounting and auditing.

Accomplishments for 2001

During fiscal year 2001, the Division performed the following services:

- Responded to approximately 9,250 telephone requests for technical assistance from the general public, public officials and employees, other agencies and governing authorities.
- Responded by letter or by E-mail to over 200 requests for statements of position of the Office of the State Auditor on legal requirements and department regulations. A statement of position is a written ruling stating the position or action our office will take on a situation that has already occurred or will occur in the future.
- Developed, published and distributed a monthly publication entitled "Technicalities" to approximately 4,000 public officials, employees, and practitioners. "Technicalities" is presented in a question and answer format and addresses current issues (legal compliance, accounting procedures, new AG opinions, changing legislation, and other matters) facing public officials and employees.
- Met with public officials and various other individuals on matters of concern in an effort to resolve problems and explain areas of statutory compliance, accounting procedures, office regulations, etc.
- Developed and conducted approximately 75 Educational and / or Required Certification Programs annually for various groups and associations. Examples include:

Mississippi Supervisors
Chancery Clerks
Circuit Clerks
County Administrators and Comptrollers

County Tax Assessors and Collectors
County Board Attorneys
Sheriffs
Purchase Clerks, Receiving Clerks, and Inventory Control Clerks
Justice Court Clerks
Municipal Aldermen, Councilmen and Mayors
Municipal Clerks and Court Clerks
Police Chiefs
Narcotic Task Forces
Municipal Board Attorneys
CPA's who conduct municipal, district attorney and other audits throughout the state
Election Commissioners
Fire Chiefs and Coordinators
Soil and Water as well as other assorted local commissions
Planning and Development Districts
Governmental Purchasing Agents
Prosecuting Attorneys
Association of Government Accountants
Local School Boards and School Officials

Other accomplishments during 2001:

- Reviewed and filed all official opinions of the Attorney General for research purposes.
- Provided legislators with information concerning proposed legislation upon request and met with or testified before legislative bodies to explain the intent or effect of proposed legislation.
- Compiled the annual update of the legal digest for Mississippi counties.
- Scheduled and conducted continuing education for the staff of the Office of the State Auditor.

Attachment A

**Office of the State Auditor
Financial and Compliance Audits Released**

OFFICE OF THE STATE AUDITOR
Financial and Compliance Audit Reports Released
State Fiscal Year Ended June 30, 2001

GOVERNMENT ENTITY

PERIOD ENDED

Released in July 2000

Coahoma County	September 30, 1999
Kemper County	September 30, 1999
Lee County	September 30, 1999
Madison County	September 30, 1999
Marion County	September 30, 1999
Newton County	September 30, 1999
Scott County	September 30, 1999
Grenada School District	June 30, 1999
Houston School District	June 30, 1999
Kosciusko School District	June 30, 1999
Oktibbeha County School District	June 30, 1999
Pearl River County School District	June 30, 1999
Pontotoc County School District	June 30, 1999
Scott County School District	June 30, 1999
South Delta School District	June 30, 1999
Union Public School District	June 30, 1999

Released in August 2000

Choctaw County	September 30, 1999
Clarke County	September 30, 1999
Panola County	September 30, 1999
Forest Municipal School District	June 30, 1998
Amite County School District	June 30, 1999
Attala County School District	June 30, 1999
Carroll County School District	June 30, 1999
Copiah County School District	June 30, 1999
East Jasper School District	June 30, 1999
Itawamba County School District	June 30, 1999
Jackson Public School District	June 30, 1999
Kemper County School District	June 30, 1999
Laurel School District	June 30, 1999
Leflore County School District	June 30, 1999
Long Beach School District	June 30, 1999

Madison County School District	June 30, 1999
Montgomery County School District	June 30, 1999
Moss Point School District	June 30, 1999
Simpson County School District	June 30, 1999
Walthall County School District	June 30, 1999

East Central Community College	June 30, 1999
Hinds Community College	June 30, 1999
Holmes Community College	June 30, 1999
Itawamba Community College	June 30, 1999

Released in September 2000

Greene County	September 30, 1998
Washington County	September 30, 1998

Amite County	September 30, 1999
Covington County	September 30, 1999
Franklin County	September 30, 1999
Jefferson County	September 30, 1999
Lafayette County	September 30, 1999
Neshoba County	September 30, 1999
Oktober County	September 30, 1999
Prentiss County	September 30, 1999
Quitman County	September 30, 1999
Sharkey County	September 30, 1999
Wilkinson County	September 30, 1999

Claiborne County School District	June 30, 1999
Forrest County School District	June 30, 1999
Lowndes County School District	June 30, 1999
West Point School District	June 30, 1999

Released in October 2000

Attala County	September 30, 1999
Calhoun County	September 30, 1999
Jefferson Davis County	September 30, 1999
Leake County	September 30, 1999
Lowndes County	September 30, 1999
Tallahatchie County	September 30, 1999
Washington County	September 30, 1999

Lincoln County School District	June 30, 1999
Picayune School District	June 30, 1999

Released in November 2000

Benton County	September 30, 1999
Carroll County	September 30, 1999
Issaquena County	September 30, 1999
Jasper County	September 30, 1999
Montgomery County	September 30, 1999
Pearl River County	September 30, 1999
Tishomingo County	September 30, 1999
Webster County	September 30, 1999
Yalobusha County	September 30, 1999

North Panola School District	June 30, 1999
Noxubee County School District	June 30, 1999
George County School District	June 30, 1999

Choctaw County School District	June 30, 2000
Clay County School District	June 30, 2000
Lee County School District	June 30, 2000
Newton Municipal School District	June 30, 2000
Richton School District	June 30, 2000

Released in December 2000

Humphreys County	September 30, 1999
Monroe County	September 30, 1999

Baldwyn Public School District	June 30, 2000
Benoit School District	June 30, 2000
Clarksdale Municipal School District	June 30, 2000
Hattiesburg Public School District	June 30, 2000
Jones County School District	June 30, 2000
Lawrence County School District	June 30, 2000
Leland School District	June 30, 2000
North Bolivar School District	June 30, 2000

Released in January 2001

George County	September 30, 1999
Pontotoc County	September 30, 1999
Stone County	September 30, 1999

Alcorn School District	June 30, 1999
Forest Municipal School District	June 30, 1999
Pascagoula Municipal Separate School District	June 30, 1999
Amory School District	June 30, 2000

Attala County School District	June 30, 2000
Covington County School District	June 30, 2000
Forrest County Agricultural High School	June 30, 2000
Franklin County School District	June 30, 2000
Laurel School District	June 30, 2000
Quitman Consolidated School District	June 30, 2000
West Bolivar School District	June 30, 2000

Express opinion on the State of Mississippi general purpose financial statements issued by the Department of Finance & Administration in the Comprehensive Annual Financial Report (CAFR)	June 30, 2000
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Released in February 2001

Clay County	September 30, 1999
Itawamba County	September 30, 1999
Tippah County	September 30, 1999

Harrison County	September 30, 2000
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Hancock County School District	June 30, 1999
Jackson County School District	June 30, 1999
Tupelo Public School District	June 30, 1999

Chickasaw County School District	June 30, 2000
Clinton Public School District	June 30, 2000
East Jasper School District	June 30, 2000
Jackson County School District	June 30, 2000
Lamar County School District	June 30, 2000
Mound Bayou School District	June 30, 2000
Newton County School District	June 30, 2000
North Pike School District	June 30, 2000
Pearl Public School District	June 30, 2000
Shaw School District	June 30, 2000
South Tippah School District	June 30, 2000
Walthall County School District	June 30, 2000
Wayne County School District	June 30, 2000
Western Line School District	June 30, 2000

Meridian Community College	June 30, 2000
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Released in March 2001

Chickasaw County	September 30, 1999
Perry County	September 30, 2000
Wayne County	September 30, 2000
Amite County School District	June 30, 2000
Bay St. Louis/Waveland School District	June 30, 2000
Canton Public School District	June 30, 2000
Corinth School District	June 30, 2000
DeSoto County School District	June 30, 2000
Jefferson County School District	June 30, 2000
Kemper County School District	June 30, 2000
New Albany Public School District	June 30, 2000
North Tippah Consolidated School District	June 30, 2000
Ocean Springs School District	June 30, 2000
Pass Christian Public School District	June 30, 2000
Perry County School District	June 30, 2000
Poplarville Special Municipal Separate School District	June 30, 2000
Prentiss County School District	June 30, 2000
South Pike School District	June 30, 2000
Stone County School District	June 30, 2000
Union County School District	June 30, 2000
West Jasper School District	June 30, 2000
East Mississippi Community College	June 30, 2000
Northeast Mississippi Community College	June 30, 2000
Northwest Mississippi Community College	June 30, 2000
State of Mississippi Institutions of Higher Learning	June 30, 2000
State of Mississippi Single Audit Report	June 30, 2000

Released in April 2001

Forrest County	September 30, 2000
Indianola School District	June 30, 2000
Marion County School District	June 30, 2000
Marshall County School District	June 30, 2000
Montgomery County School District	June 30, 2000
Natchez-Adams School District	June 30, 2000
Nettleton School District	June 30, 2000
Picayune School District	June 30, 2000
Quitman County School District	June 30, 2000

Senatobia Municipal School District	June 30, 2000
Starkville School District	June 30, 2000
Tunica County School District	June 30, 2000

Released in May 2001

Greene County	September 30, 1999
Clarke County	September 30, 2000
Covington County	September 30, 2000
Hinds County	September 30, 2000
Newton County	September 30, 2000
Noxubee County	September 30, 2000
Panola County	September 30, 2000

Benton County School District	June 30, 2000
Biloxi Public School District	June 30, 2000
Drew School District	June 30, 2000
Grenada School District	June 30, 2000
Harrison County School District	June 30, 2000
Hazlehurst City School District	June 30, 2000
Holly Springs School District	June 30, 2000
Holmes County School District	June 30, 2000
Jefferson Davis County School District	June 30, 2000
Meridian Public School District	June 30, 2000
Oxford School District	June 30, 2000
Tishomingo County Special Municipal Separate School District	June 30, 2000
Water Valley School District	June 30, 2000

Jones County Junior College	June 30, 2000
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Released in June 2001

Adams County	September 30, 2000
Bolivar County	September 30, 2000
Claiborne County	September 30, 2000
Copiah County	September 30, 2000
Grenada County	September 30, 2000
Holmes County	September 30, 2000
Jackson County	September 30, 2000
Lauderdale County	September 30, 2000
Leflore County	September 30, 2000
Pike County	September 30, 2000
Sharkey County	September 30, 2000
Stone County	September 30, 2000
Simpson County	September 30, 2000

Sunflower County	September 30, 2000
Tunica County	September 30, 2000
Warren County	September 30, 2000
Yalobusha County	September 30, 2000
Carroll County School District	June 30, 2000
Cleveland School District	June 30, 2000
Itawamba County School District	June 30, 2000
Lincoln County School District	June 30, 2000
Long Beach School District	June 30, 2000
Monroe County School District	June 30, 2000
Noxubee County School District	June 30, 2000
Okolona Municipal Separate School District	June 30, 2000
Pearl River County School District	June 30, 2000
Scott County School District	June 30, 2000
Sunflower County School District	June 30, 2000
East Central Community College	June 30, 2000
Pearl River Community College	June 30, 2000
Southwest Mississippi Community College	June 30, 2000

Attachment B

**Counties Audited by the Office of the State Auditor
Summary Financial Information**

County Audits Released by the Office of the State Auditor
State Fiscal Year Ended June 30, 2001

<u>Year</u>	<u>County</u>	<u>Revenues*</u>	<u>Expenditures*</u>	<u>Assets</u>	<u>Total Long-term Debt</u>
Counties Audited by CPA Firms					
1998	Greene County	4,287,039	5,313,538	9,741,810	3,284,149
1998	Washington County	19,964,856	23,674,823	51,965,041	17,021,913
1999	Amite County	4,658,409	4,368,814	13,133,780	1,496,796
1999	Clarke County	6,549,483	8,246,168	25,147,419	7,104,634
1999	Clay County	6,469,897	6,553,724	16,358,457	2,169,170
1999	Covington County	5,939,577	5,166,936	12,636,870	118,877
1999	George County	6,347,230	7,007,678	5,095,062	2,284,670
1999	Greene County	4,058,057	5,393,849	12,029,248	4,031,214
1999	Jefferson County	6,431,249	7,259,380	20,139,836	8,656,809
1999	Lafayette County	10,429,361	10,198,964	46,109,325	10,850,739
1999	Marion County	8,774,686	11,585,412	27,943,502	9,251,138
1999	Oktibbeha County	10,820,650	9,066,512	24,357,435	3,247,104
1999	Panola County	11,411,334	14,494,865	36,643,163	8,718,494
1999	Prentiss County	6,459,494	7,471,304	23,159,910	10,558,837
1999	Quitman County	4,324,602	5,181,008	13,730,462	3,047,064
1999	Washington County	20,922,401	22,900,257	51,899,601	15,511,885
2000	Adams County	14,394,998	17,186,644	47,978,095	18,458,656
2000	Bolivar County	17,650,039	50,153,049	51,834,841	13,191,706
2000	Claiborne County	9,004,776	8,471,416	19,872,239	3,581,483
2000	Copiah County	9,143,049	11,744,306	29,741,582	5,243,110
2000	Grenada County	10,709,937	10,975,374	45,930,844	17,149,099
2000	Harrison County	76,983,582	80,348,074	226,794,804	83,394,864
2000	Holmes County	7,081,775	12,203,173	27,680,189	8,717,358
2000	Jackson County	59,908,813	64,721,360	124,415,676	56,258,037
2000	Lauderdale County	28,240,691	31,845,876	86,936,640	29,917,924
2000	Sharkey County	3,367,364	4,299,051	5,393,004	1,260,900
2000	Simpson County	7,793,379	7,759,716	16,822,513	5,558,526
2000	Warren County	17,660,114	16,009,380	41,263,785	6,964,299
2000	Yalobusha County	5,196,196	5,154,853	10,981,086	976,794
TOTAL BY CPA FIRMS		\$ 404,983,038	474,755,504	1,125,736,219	358,026,249

Counties Audited by OSA

1999	Attala County	6,465,367	6,048,822	19,821,534	1,014,903
1999	Benton County	3,176,058	3,116,906	6,216,560	154,042
1999	Calhoun County	5,112,721	4,819,894	13,955,031	2,291,547
1999	Carroll County	5,636,738	7,883,352	21,627,739	7,888,991
1999	Chickasaw County	5,790,966	5,846,399	14,831,500	2,647,734
1999	Choctaw County	3,265,185	3,239,622	10,405,117	1,202,695
1999	Coahoma County	15,674,474	14,710,184	98,738,466	2,741,608
1999	Franklin County	4,056,081	3,973,084	13,438,847	1,154,401
1999	Humphreys County	4,560,616	5,911,821	11,196,849	4,896,811
1999	Issaquena County	5,029,420	4,260,117	14,200,272	5,496,865
1999	Itawamba County	5,549,519	5,980,120	21,367,070	5,499,496
1999	Jasper County	5,999,427	7,326,729	16,362,256	3,350,987
1999	Jefferson Davis County	4,668,753	4,368,277	11,689,691	0
1999	Kemper County	3,704,806	4,998,742	10,694,099	2,285,574
1999	Leake County	10,085,372	12,843,827	25,316,079	8,229,560
1999	Lee County	20,766,015	18,801,300	81,567,684	9,154,067
1999	Lowndes County	21,051,470	20,577,347	80,054,827	12,968,025
1999	Madison County	23,581,871	28,267,698	76,149,347	33,911,611
1999	Monroe County	10,521,806	12,089,376	43,884,196	7,952,886
1999	Montgomery County	4,601,644	5,124,391	12,850,857	1,566,467

**County Audits Released by the Office of the State Auditor
State Fiscal Year Ended June 30, 2001**

<u>Year</u>	<u>County</u>	<u>Revenues*</u>	<u>Expenditures*</u>	<u>Assets</u>	<u>Total Long-term Debt</u>
Counties Audited by OSA (continued)					
1999	Neshoba County	7,490,335	9,284,619	23,767,790	6,649,037
1999	Newton County	5,315,411	5,802,911	9,557,708	1,011,207
1999	Pearl River County	11,218,270	11,233,586	18,550,329	2,068,762
1999	Pontotoc County	6,529,627	6,845,108	16,932,498	1,423,336
1999	Scott County	8,438,296	9,059,102	20,722,349	3,999,135
1999	Sharkey County	3,024,449	3,630,034	6,910,961	922,257
1999	Stone County	4,897,242	5,707,386	7,877,198	962,505
1999	Tallahatchie County	4,976,041	5,112,942	12,437,849	2,204,540
1999	Tippah County	6,175,083	7,156,902	9,457,598	1,699,319
1999	Tishomingo County	6,196,379	5,973,643	23,109,469	499,709
1999	Webster County	3,544,412	3,541,682	6,873,143	924,506
1999	Wilkinson County	3,971,705	4,100,928	9,145,539	1,378,475
1999	Yalobusha County	4,965,713	5,543,821	10,467,610	1,029,347
2000	Clarke County	6,780,411	7,179,489	24,180,100	6,411,070
2000	Covington County	8,355,789	6,744,980	14,336,851	137,912
2000	Forrest County	22,600,507	22,345,754	86,202,636	26,886,253
2000	Hinds County	64,793,956	76,410,675	150,569,548	39,906,461
2000	Leflore County	16,485,161	16,740,485	42,075,117	15,745,215
2000	Newton County	5,598,817	8,415,614	12,750,138	2,583,397
2000	Noxubee County	5,000,066	5,653,268	10,567,246	2,346,674
2000	Panola County	12,933,364	13,120,465	39,655,957	8,735,382
2000	Perry County	6,650,542	6,089,769	21,189,713	2,694,205
2000	Pike County	14,792,316	15,707,085	40,770,437	9,814,669
2000	Stone County	5,422,775	8,563,452	20,170,280	6,689,275
2000	Sunflower County	9,475,231	9,299,803	22,239,780	7,380,044
2000	Tunica County	46,110,888	58,067,206	72,635,488	867,800
2000	Wayne County	8,429,723	14,167,193	34,328,406	10,635,085
TOTAL BY OSA		\$ 479,470,818	531,685,910	1,371,849,759	280,013,847
COMBINED TOTAL		\$ 884,453,856	1,006,441,414	2,497,585,978	638,040,096

* Includes Governmental Funds and Expendable Trust Funds

Source - Financial and Compliance Audit Division, Office of the State Auditor (OSA)

Attachment C

**Universities/Colleges/Schools Audited by
the Office of the State Auditor**

Summary Financial Information

College Audits Released by the Office of the State Auditor
State Fiscal Year Ended June 30, 2001

		Current Funds					Plant Fund
Year	College	Revenues & Other Add.	Expenditures & Other Deduct.	Tuition & Fees	State Appropriations	Total Assets	Total Assets
Colleges Audited by CPA Firms							
1999	East Central Community College	16,901,625	16,377,275	2,166,103	8,419,726	3,424,349	21,095,525
1999	Itawamba Community College	28,537,653	27,949,051	3,662,342	10,270,270	8,368,387	51,136,637
2000	East Central Community College	18,987,292	18,303,531	2,280,155	9,782,131	4,299,087	24,253,454
2000	East MS Community College	19,529,237	18,964,563	2,831,142	7,146,106	4,015,512	27,653,561
2000	Northeast MS Community College	26,580,429	25,950,962	3,071,145	11,386,159	10,875,965	53,686,958
2000	Northwest MS Community College	38,555,894	35,518,577	5,071,225	14,951,373	8,660,594	62,993,005
2000	Southwest MS Community College	15,177,551	13,901,212	1,791,130	6,760,858	7,338,131	31,381,821
TOTAL BY CPA FIRMS		\$ 164,269,681	156,965,171	20,873,242	68,716,623	46,982,025	272,200,961
Colleges Audited by OSA							
1999	Hinds Community College	76,893,391	77,689,321	11,889,587	26,826,221	19532969	120959788
1999	Holmes Community College	22,718,777	21,665,294	3,039,762	8,659,174	3,799,358	35,527,914
2000	Jones County Junior College	36,671,272	34,169,541	4,340,999	17,064,867	14,319,657	56,454,603
2000	Meridian Community College	23,039,100	21,596,776	3,101,183	9,899,001	5,762,462	28,654,599
2000	Pearl River Community College	27,349,206	26,412,331	3,113,957	10,852,024	5,840,212	49,609,510
TOTAL BY OSA		\$ 186,671,746	181,533,263	25,485,488	73,301,287	49,254,658	291,206,414
COMBINED TOTAL		\$ 350,941,427	338,498,434	46,358,730	142,017,910	96,236,683	563,407,375

University System Audit Released by the Office of the State Auditor
State Fiscal Year Ended June 30, 2001

		Current Funds					Plant Fund
Year	University System	Revenues & Other Add.	Expenditures & Other Deduct.	Tuition & Fees	State Appropriations	Total Assets	Total Assets
Audited by OSA							
2000	State of MS Institutions of Higher Learning	1,695,609,069	1,617,086,236	222,200,570	630,163,006	520,891,193	2,036,222,221
TOTAL BY OSA		\$ 1,695,609,069	1,617,086,236	222,200,570	630,163,006	520,891,193	2,036,222,221

Source - Financial and Compliance Audit Division, Office of the State Auditor (OSA)

**School District Audits Released by the Office of the State Auditor
State Fiscal Year Ended June 30, 2001**

<u>Year</u>	<u>School District</u>	<u>Revenues*</u>	<u>Expenditures*</u>	<u>Total Assets</u>	<u>Total Long-term Debt</u>
School Districts Audited by CPA Firms					
1998	Forest Municipal School District	8,878,972	10,098,288	16,370,979	5,154,842
1999	Alcorn School District	19,487,644	22,401,529	44,535,239	9,070,823
1999	Amite County School District	9,319,011	8,819,358	18,619,355	2,137,032
1999	Attala County School District	11,022,215	10,591,896	19,955,878	2,977,018
1999	Carroll County School District	6,919,915	8,631,098	13,689,871	3,172,917
1999	Forest Municipal School District	8,836,542	11,308,481	16,687,437	4,881,583
1999	Grenada School District	21,325,230	22,305,272	55,678,087	12,508,610
1999	Hancock County School District	21,329,074	35,572,967	92,018,512	32,392,521
1999	Houston School District	9,607,135	9,170,764	22,467,422	7,267,454
1999	Jackson County School District	36,865,237	43,937,156	79,606,050	21,221,686
1999	Jackson Public School District	181,297,371	194,714,329	330,431,031	77,361,988
1999	Kemper County School District	8,561,663	8,974,413	13,680,605	3,031,028
1999	Kosciusko School District	10,583,407	11,753,900	24,512,040	6,123,132
1999	Leflore County School District	16,077,074	17,421,590	21,852,084	4,586,817
1999	Lowndes County School District	25,842,179	30,532,976	73,433,671	15,749,847
1999	Madison County School District	43,846,370	46,434,112	135,528,453	47,872,394
1999	Montgomery County School District	4,390,320	4,944,345	8,220,621	1,480,838
1999	Moss Point School District	23,906,030	24,166,407	29,906,590	282,001
1999	Noxubee County School District	12,080,151	13,116,479	30,130,311	6,463,088
1999	Oktibbeha County School District	8,203,558	7,915,052	13,687,843	2,844,989
1999	Pascagoula Municipal Separate School District	44,799,373	50,521,857	105,912,512	24,103,716
1999	Pearl River County School District	11,040,938	15,655,103	29,393,845	9,418,647
1999	Pontotoc County School District	12,661,689	15,127,934	18,122,434	4,169,627
1999	Scott County School District	16,095,562	18,837,254	27,718,119	3,595,042
1999	South Delta School District	8,773,610	8,800,983	9,623,315	528,226
1999	Tupelo Public School District	42,843,728	43,619,441	85,623,762	23,286,267
1999	Union Public School District	4,671,960	5,159,193	7,829,228	1,446,998
1999	West Point School District	17,679,062	22,699,785	38,028,560	12,041,778
2000	Amite County School District	9,170,521	10,317,676	18,773,896	1,884,152
2000	Amory School District	9,867,921	11,495,634	21,324,765	7,052,444
2000	Attala County School District	8,402,971	11,400,573	19,148,112	2,834,502
2000	Baldwyn Public School District	5,767,337	6,236,989	11,790,322	3,451,449
2000	Bay St. Louis/Waveland School District	15,024,447	20,634,678	35,922,157	12,664,390
2000	Benoit School District	2,313,216	2,420,841	2,762,651	12,242
2000	Benton County School District	6,884,555	7,404,339	9,505,693	1,350,924
2000	Biloxi Public School District	43,215,989	48,098,535	79,606,571	10,688,634
2000	Carroll County School District	7,503,377	9,322,974	13,416,824	3,344,453
2000	Chickasaw County School District	3,215,903	3,522,130	4,854,149	1,173,145
2000	Choctaw County School District	10,463,855	13,632,170	21,749,049	3,900,077
2000	Clarksdale Municipal School District	21,337,595	25,366,463	43,355,890	15,413,501
2000	Clay County School District	1,925,612	1,733,356	2,655,289	68,055
2000	Clinton Public School District	25,556,576	25,069,449	67,450,765	12,133,869
2000	Corinth School District	12,119,682	12,183,713	30,565,919	6,465,409
2000	Covington County School District	17,940,282	19,275,361	26,242,037	3,074,422
2000	DeSoto County School District	88,714,563	84,924,322	165,287,747	31,962,387
2000	Drew School District	4,908,149	5,119,247	7,426,447	1,492,977
2000	East Jasper School District	7,536,766	8,533,147	16,128,079	4,269,426
2000	Forrest County Agricultural High School	3,049,381	4,564,338	7,133,754	972,477
2000	Franklin County School District	10,446,576	10,805,653	15,220,794	1,036,012
2000	Grenada School District	23,194,339	28,240,923	57,477,574	11,951,992
2000	Harrison County School District	64,258,713	71,208,622	144,824,414	46,136,953
2000	Hattiesburg Public School District	34,202,399	38,962,442	54,485,420	16,956,648
2000	Hazlehurst City School District	9,653,179	10,682,512	13,467,538	3,669,358
2000	Holly Springs School District	10,809,346	16,123,902	25,378,418	7,270,163
2000	Holmes County School District	21,265,081	26,555,722	40,338,994	11,406,252
2000	Indianola School District	17,290,542	20,722,649	36,524,013	10,490,421

**School District Audits Released by the Office of the State Auditor
State Fiscal Year Ended June 30, 2001**

<u>Year</u>	<u>School District</u>	<u>Revenues*</u>	<u>Expenditures*</u>	<u>Total Assets</u>	<u>Total Long-term Debt</u>
School Districts Audited by CPA Firms (continued)					
2000	Itawamba County School District	19,869,542	21,383,998	49,718,236	11,371,095
2000	Jackson County School District	42,154,167	41,829,282	81,954,718	20,310,945
2000	Jefferson County School District	10,726,307	10,374,418	15,829,794	4,342,536
2000	Jefferson Davis County School District	13,625,971	17,285,300	34,160,526	7,778,857
2000	Jones County School District	40,848,801	50,516,359	85,375,980	23,566,688
2000	Kemper County School District	9,510,725	10,231,450	13,694,006	2,960,040
2000	Lamar County School District	34,269,211	41,017,862	75,426,192	18,283,784
2000	Laurel School District	19,020,340	19,581,600	21,638,184	5,277,034
2000	Lawrence County School District	13,251,021	13,051,711	19,834,815	2,414,649
2000	Lee County School District	32,402,267	31,054,520	60,665,926	13,267,755
2000	Leland School District	8,603,032	9,613,023	13,368,149	3,627,435
2000	Long Beach School District	18,577,437	22,252,644	31,766,752	8,612,690
2000	Marshall County School District	16,969,226	23,078,092	48,417,309	15,840,806
2000	Meridian Public School District	42,150,078	40,231,338	42,910,142	3,124,279
2000	Monroe County School District	13,394,147	14,938,218	26,136,158	5,537,481
2000	Mound Bayou School District	5,384,118	5,954,548	4,807,113	476,172
2000	Natchez-Adams School District	31,123,237	36,077,978	83,574,058	17,771,752
2000	Nettleton School District	7,888,047	7,427,408	9,032,636	1,350,661
2000	New Albany Public School District	12,050,935	12,792,469	13,319,302	931,340
2000	Newton County School District	9,084,637	8,932,642	20,229,943	3,596,599
2000	Newton Municipal School District	7,702,999	8,806,974	14,352,156	2,677,122
2000	North Bolivar School District	6,891,900	8,314,803	7,594,869	2,694,546
2000	North Tippah Consolidated School District	7,331,717	6,787,602	9,660,171	1,362,711
2000	Noxubee County School District	15,451,712	14,028,675	40,761,433	10,170,593
2000	Ocean Springs School District	26,175,167	26,108,327	57,086,728	8,200,383
2000	Okolona Municipal Separate School District	5,392,752	5,956,176	8,854,641	2,286,609
2000	Oxford School District	18,323,321	22,357,817	40,079,185	14,873,242
2000	Pass Christian Public School District	11,905,595	16,871,231	40,850,252	13,880,934
2000	Pearl Public School District	20,267,330	22,633,005	52,215,605	12,252,215
2000	Pearl River County School District	11,621,902	13,609,665	28,390,209	9,174,873
2000	Perry County School District	8,964,250	8,946,482	18,954,581	3,661,283
2000	Picayune School District	20,654,321	20,557,907	26,336,293	7,066,747
2000	Poplarville Special Municipal Separate School District	11,486,451	12,270,350	17,083,217	2,349,680
2000	Prentiss County School District	14,748,200	16,386,696	24,043,788	7,839,740
2000	Quitman Consolidated School District	14,160,135	14,942,288	30,454,023	3,307,143
2000	Quitman County School District	9,215,085	8,598,359	12,600,559	2,502,409
2000	Richton School District	4,576,858	4,568,964	8,940,631	1,397,792
2000	Senatobia Municipal School District	9,244,159	11,569,929	15,934,352	5,131,769
2000	Shaw School District	5,610,921	5,763,250	6,184,232	1,467,304
2000	South Tippah School District	14,263,793	14,446,356	18,272,281	224,218
2000	South Pike School District	14,206,354	15,957,338	16,311,097	1,801,547
2000	Starkville School District	28,617,248	30,589,124	47,953,832	14,216,528
2000	Stone County School District	15,055,596	14,851,559	25,276,940	5,993,573
2000	Sunflower County School District	11,427,443	12,395,791	14,779,002	4,383,434
2000	Tishomingo County Special Municipal Sep. Sch. Dist.	17,749,466	16,970,703	36,436,314	2,477,968
2000	Union County School District	12,493,969	13,223,869	21,380,974	4,977,599
2000	Walthall County School District	16,372,718	19,615,086	27,811,547	6,979,748
2000	Wayne County School District	20,611,009	23,674,034	36,139,408	9,133,161
2000	West Bolivar School District	7,729,412	7,987,430	12,072,955	2,870,753
2000	West Jasper School District	10,612,204	12,239,312	23,383,103	5,929,807
2000	Western Line School District	11,795,002	12,605,752	23,439,368	4,438,008
TOTAL BY CPA FIRMS		\$ 1,954,546,128	2,159,050,036	3,891,574,820	924,463,680

School Districts Audited by OSA

1999	Claiborne County School District	12,412,976	11,914,297	29,402,691	6,875,075
1999	Copiah County School District	14,631,616	18,881,651	27,976,452	8,135,573

**School District Audits Released by the Office of the State Auditor
State Fiscal Year Ended June 30, 2001**

<u>Year</u>	<u>School District</u>	<u>Revenues*</u>	<u>Expenditures*</u>	<u>Total Assets</u>	<u>Total Long-term Debt</u>
School Districts Audited by OSA (continued)					
1999	East Jasper School District	6,877,336	8,208,823	15,800,244	4,012,571
1999	Forrest County School District	13,054,672	15,263,488	30,120,733	9,284,768
1999	George County School District	17,083,494	22,049,549	43,415,365	13,017,042
1999	Itawamba County School District	17,875,208	25,504,445	50,449,442	11,681,336
1999	Laurel School District	17,695,743	18,637,574	19,871,310	4,667,043
1999	Lincoln County School District	13,289,038	18,898,627	32,606,949	8,804,605
1999	Long Beach School District	18,522,168	19,033,391	31,410,328	8,031,065
1999	North Panola School District	10,675,512	11,875,898	19,638,787	6,249,090
1999	Picayune School District	19,041,708	19,531,701	24,409,432	7,102,049
1999	Simpson County School District	21,483,820	23,104,547	41,419,851	7,890,547
1999	Walthall County School District	14,370,132	15,452,441	25,008,636	7,116,756
2000	Canton Public School District	19,133,158	19,724,995	39,519,509	11,837,132
2000	Cleveland School District	21,149,713	23,048,529	26,291,122	7,246,834
2000	Lincoln County School District	14,999,798	17,570,396	32,014,310	8,360,784
2000	Marion County School District	15,945,337	21,147,974	38,975,411	10,881,019
2000	Montgomery County School District	4,822,983	5,025,740	8,124,546	1,413,125
2000	North Pike School District	7,226,716	6,792,893	8,820,041	78,930
2000	Scott County School District	18,151,309	19,486,054	29,044,255	3,320,597
2000	Tunica County School District	19,184,714	19,848,634	42,572,483	9,268,170
2000	Water Valley School District	6,842,671	9,497,365	13,097,504	4,465,903
TOTAL BY OSA		\$ 324,469,822	370,499,012	629,989,401	159,740,014
COMBINED TOTAL		\$ 2,279,015,950	2,529,549,048	4,521,564,221	1,084,203,694

* Includes Governmental Funds and Expendable Trust Funds

Source - Financial and Compliance Audit Division, Office of the State Auditor (OSA)